



Iowa Department of Human Services

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Governor

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INFORMATIONAL LETTER NO.1759-MC-FFS

DATE: February 1, 2017

TO: Iowa Medicaid Rehabilitation Agencies, Nursing Facilities (NFs) and Intermediate Care Facilities for Persons with an Intellectual Disability (ICF/ID)

APPLIES TO: Managed Care (MC), Fee-for-Service (FFS)

FROM: Iowa Department of Human Services (DHS), Iowa Medicaid Enterprise (IME)

RE: Occupational, Physical, and Speech Therapy (OT/PT/ST) For NF Residents

EFFECTIVE: Immediately

Effective November 1, 2013, changes were made to chapter 441 Iowa Administrative Code (IAC) 78.19(1)(a)(1) regarding coverage of OT/PT/ST services provided by rehabilitation agencies to residents living in a NF. In accordance to these changes:

Payment will not be made to a rehabilitation agency for therapy provided to a member residing in a nursing facility or an intermediate care facility for persons with an intellectual disability since these facilities are responsible for providing or paying for services required by members.

Rehabilitation agencies should be billing facility providers for any OT/PT/ST services they are providing to NF residents. Facility providers should then pay the rehabilitation agencies for the OT/PT/ST services and report those payments on their annual cost reports.

It has come to the attention of the IME that some rehabilitation agencies have been billing Medicaid instead of the facility since the rule change. This letter is to provide awareness of the rule change and advise rehabilitation agencies that they are not to bill Medicaid or the Managed Care Organizations (MCOs) for OT/PT/ST services to residents living in a NF.

The IME Program Integrity Unit will be reviewing claims for these services and will be taking appropriate action as needed.

If you have any questions please contact the IME Provider Services Unit at 1-800-338-7909, or email at imeproviderservices@dhs.state.ia.us.